

Message Text

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C O N F I D E N T I A L SECTION 1 OF 2 MILAN 0992

E.O. 11652: GDS
TAGS: PINT, IT
SUBJECT: LOMBARDY'S EXPERIENCE WITH COMMUNISTS ALMOST IN
EXECUTIVE.

REF: 76 MILAN 2193
IN RESPONSE
AMABASSADOR GARDNERS REQUEST, WE SUBMIT STUDY OF
LOMBARDY REGIONAL GIUNTA.

1. SUMMARY. LOMBARDY REGION "OPEN" GIUNTA, WHERE COMMUNISTS
REMAIN EXCLUDED FROM EXECUTIVE BUT HELP FRAME LEGISLATIVE PLAN
AND HAVE FULL SAY IN DRAFTING INDIVIDUAL LAWS, IS POLITICAL
BUT NOT ADMINISTRATIVE SUCCESS, ACCORDING TO ITS PARTICIPANTS.
COMMUNISTS ARE GETTING SOUND DRUBBING IN DEMOCRATIC, PARLIA-
MENTARY PROCESSES WHICH HAS DIVIDED PCI LEGISLATIVE GROUP
INTO FACTIONS AND IS FORCING PCI MEMBERS TO BEHAVE REALISTICALLY
AND ACCEPT INEVITABILITY OF COMPROMISE. BUT COMMUNIST OBLIGATION
TO ACHIEVE CONSENSUS WITHIN PARTY BEFORE PROCEEDING TO VOTE
SLOWS REGIONAL COUNCIL ACTION ON DRAFT LEGISLATION MORE THAN
WAS CASE WITH CUSTOMARY MAJORITY-MINORITY RELATIONSHIP. PCI
SEES OPEN GIUNTA AS PHASE ALONG ROAD TO HISTORIC COMPROMISE.
LOMBARDY DC SEES IT AS ONLY WORKABLE FORMULA GIVEN
JUNE 15, 1975, ELECTION RESULTS AND HOPES IT WILL
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BOTH WEAN PCI AWAY FROM TOTALITARIAN PAST AND DAMAGE IT AMONG
ITS MORE EXTREME ELECTORATE. LOMBARDY DC PRESIDENT FEELS
DC IS IN CONTROL OF PROCESS AND CAN TURN IT OFF WHEN IT IS
NO LONGER PRODUCTIVE. HOW FAST IT MOVES WILL DEPEND IN GREAT
PART ON WHAT HAPPENS IN ROME. WE CONCLUDE THAT BOTH PCI
AND DC ARE CONSCIOUSLY MAKING BIG GAMBLE. DC IS BETTING
THAT IT WILL ALTER PCI BEFORE IT MUST BE BROUGHT INTO

GOVERNMENT. PCI IS BETTING THAT IT CAN PRESERVE ITS POLICY AND ORGANIZATIONAL INTEGRITY DESPITE STRESS UNDER WHICH GRADUAL ACCEPTANCE OF RESPONSIBILITY IS CLEARLY PUTTING IT. WHATEVER OUTCOME, LOCAL POLITICOS AND OTHERS BELIEVE THEY ARE SETTING PACE AND PATTERN FOR ROME. END SUMMARY.

2. LOMBARDY REGIONAL "OPEN" GIUNTA WAS FORMED IN WAKE OF JUNE 15, 1975, ADMINISTRATIVE ELECTIONS THAT SAW PCI WIN 30 PERCENT OF VOTE IN LOMBARDY, ADVANCING 7.3 PERCENTAGE POINTS OVER 1972 PLITICAL ELECTIONS, WHILE DC RETROGRESSED FROM 41 PERCENT TO 37. SIMPLE CENTER LEFT MAJORITY WAS STILL POSSIBLE (48 SEATS OF 80) BUT PSI, AS ELSEWHERE, DECLINED AND INSISTED UPON ASSOCIATING PCI WITH RESPONSIBILITY FOR GOVERNMENT HOWEVER, REGIONAL EXECUTIVE BEGAN AS BASICALLY DC PLUS PSI WHILE MILAN CITY GOVERNMENT BECAME PSI PLUS PCI AND PROVINCE PCI PLUS PSI. LOMBARDY REGIONAL PRESIDENT CESARE GOLFARI (DC) CONTENTS BOTH PUBLICLY AND PRIVATELY THAT DC ACCEPTED OPEN GIUNTA FORMULA BECAUSE IT WAS ONLY REAL POSSIBILITY.

3. FOR LEFTIST PARTIES, OPEN GIUNTA WAS IMPORTANT ADVANCE TOWARD GOAL OF "NON-DISCRIMINATION" TOWARD PCI. THEY FOUND IT UNACCEPTABLE THAT PARTY WHICH REPRESENTED SUCH LARGE PART OF ELECTORATE WAS SUBSTANTIALLY EXCLUDED FROM RUNNING REGION. LUIGI MARCHI, PCI GROUP LEADER IN REGIONAL COUNCIL, HAD RAISED THIS OBJECTION EXPLICITLY IN COUNCIL IN APRIL 1972, ACCUSING MAJORITY OF REJECTING ALL OF PCI'S PROPOSED AMENDMENTS TO LEGISLATION ONLY BECAUSE THEY CAME FROM MINORITY AND SAYING THIS GRAVELY DIMINISHED VALUE OF COUNCIL ITSELF. CONFIDENTIAL

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4. SINCE ITS INCEPTION, OPEN GIUNTA HAS BEEN CHALLENGED JUST ONCE--IN SEPTEMBER 1976--BY CONSERVATIVE BUCALOSSI REPUBLICANS AND CONSERVATIVE DC LEADER GINO COLOMBO WHO OBJECTED TO PCI SITTING IN ON ELABORATION OF LEGISLATIVE PROGRAM (REFTEL). BUCALOSSI CONTENDED THAT THAT WENT BEYOND ORIGINAL AGREEMENT AMONG FIVE PARTIES (DC, PSI, PSDI, PRI, AND DP) WHICH GAVE PCI CRACK AT PROGRAM ONLY AFTER IT HAD BEEN DRAFTED. ALTHOUGH BUCALOSSI BROUGHT DOWN GIUNTA, HIS OWN PARTY REPUDIATED HIM AND GOLAFRI PUT IT BACK TOGETHER WITH SAME PARTIES MINUS DP WITH DIFFERENCE THAT PCI WAS FORMALLY INCLUDED IN COLLEGIAL ELABORATION OF EXECUTIVE PROGRAM AND WAS AWARDED MORE COMMITTEE CHAIRMANSHIPS. THUS, ALTHOUGH REAL RELATIONSHIPS DID NOT CHANGE MUCH, PCI MOVED FORWARD AGAIN. SITUATION NOW IS THAT, IN ADDITION TO COMPOSING BASIC PROGRAM, PCI HELPS DRAFT LEGISLATION THROUGH COMMITTEE MEMBERSHIPS WHERE PCI--AS WELL AS DC AND PSI--HAS EFFECTIVE VETO OVER WHAT PASSES AND WHAT DOESN'T. COMMUNISTS ALSO HAVE SAY IN EXECUTION OF FINISHED LAWS VIA MEMBERSHIP ON BUDGET COMMITTEE. SO ADVANCE

TO POWER OF LOMBARDY PCI SINCE REGION'S FOUNDING IN 1970
IS, IN REAL POWER TERMS, CLOSE TO COMPLETE.

5. ESSENCE OF OPEN GIUNTA FORMULA IS DISAPPEARANCE OF FORMAL
OPPOSITION, WHENCE SPRING BOTH ITS SUPPOSED ADVANTAGES AND
ALLEGED DEFECTS. ON PLUS SIDE, WE FOUND GENERAL AGREEMENT --
ALBEIT FOR DIFFERENT REASONS -- THAT FORMULA IS GOOD POLITICALLY.
PCI GROUP LEADER LUIGI MARCHI, AMONG MOST IMPORTANT COMMUNISTS
IN LOMBARDY, TOLD US OPEN GIUNTA HAS HELPED MOVE PCI OUT OF
ISOLATION TO WHICH CENTER-LEFT FORMULA HAD CONSIGNED PARTY
AND THAT IT IS PLURALISTIC SOLUTION WHICH REPRESENTS WELL
LOMBARDY'S POLITICAL DIVERSITY AT PROVINCIAL AND TOWN LEVELS
(WHERE DC AND PCI ARE IN POWER IN ROUGHLY EQUAL NUMBERS).
FURTHERMORE, UNDER NEW FORMULA, PARTIES ARE COOPERATING
CONCRETELY TO GREATER EXTENT THAN BEFORE. COMMUNISTS HERE
MAKE NO BONES ABOUT FACT THAT PCI STRATEGY IS STILL EVENTUAL
DC-PCI ALLIANCE, AND PARTY SPEAKS OF OPEN GIUNTA AS NO MORE
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THAN STEP--BUT NECESSARY ONE--TOWARD THAT GOAL. THEY ARE
EQUALLY FRANK CONCERNING THEIR DISTASTE FOR PSI'S LEFTIST
ALTERNATIVE FORMULA, STRATEGY REJECTED ALREADY BY TOGLIATTI,
ACCORDING TO MARCHI, AND LAID TO REST DEFINITELY BY 1973
OVERTHROW OF ALLENDE COALITION IN CHILE.

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6. MOST CHRISTIAN DEMOCRATS HERE AGREE THAT OPEN GIUNTA HAS ITS

POSITIVE ASPECTS, WHICH FOR THEM HOWEVER MEANS EDUCATING AND CHANGING PCI. SUAVE, TOUGH LOMBARDY PRESIDENT CESARE GOLFARI IS, NOT SURPRISINGLY, MOST ENTHUSIASTIC PROPONENT OF THIS VIEW. NO LONGER, HE TOLD US, CAN COMMUNISTS REST COMFORTABLY IN OPPOSITION, CRITICIZING EVERYTHING. NOW THEY MUST COME TO GRIPS WITH REAL PROBLEMS AND FIND REAL SOLUTIONS. PROCESS IS EXACERBATING INTERNAL PCI DIFFERENCES, WEAKENING PARTY'S COHESION, AND, HOPEFULLY, LEADING TO FUTURE ELECTORAL SETBACKS. EVEN HARD LINER GINO COLOMBO, ONCE POWERFUL DC CITY SECRETARY AND NOW ASSESSORE FOR INDUSTRY AND COMMERCE, ADMITS SOME POLITICAL BENEFITS FOR DC. MASSIMO DE CAROLIS, HOWEVER, IS UNCOMPROMISING. HE SAID IN PUBLIC FORUM MAY 31 THAT, OF THREE MAIN PARTIES, ONLY DC HAS NO STRATEGY AS FAR AS OPEN GIUNTA CONCERNED. PCI SEES IT AS TRANSITION TO HISTORIC COMPROMISE, PSI AS TRANSITION TO LEFTIST ALTERNATIVE, BUT DC SIMPLY AS TRANSITION TO SOMETHING ELSE. OPEN GIUNTA CAN REALISTICALLY RESULT IN ONLY TWO POSSIBLE OUTCOMES, HE SAYS. EITHER PCI REALIZES HISTORIC COMPROMISE OR OPEN GIUNTA SOLUTION FAILS. DE CAROLIS BELIEVES LATTER WILL OCCUR, THAT FAILURE WILL BE NATIONAL, AND THAT DC SHOULD BE-- AND IS -- PREPARING FOR IT. IF THIS IS SO, HE ARGUES, DC IS INCONSISTENT -- AS WELL AS INSINCERE WITH ITS VOTERS -- IN GOING ON WITH EXPERIMENT IN COOPERATION WITH COMMUNISTS AT LOMBARDY LEVEL.

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7. PSI IS LEAST HAPPY OF ALL OVER OPEN GIUNTA, WHERE IT IS BEING SQUEEZED BETWEEN TWO LARGER PARTIES. ALTHOUGH EVEN MODERATE SOCIALIST LIKE LUIGI VERTEMATI, ASSESSORE FOR LABOR, TALKS OF POLITICAL BENEFITS TO SYSTEM AS COMMUNISTS PUSHED INTO MORE DEMOCRATIC BEHAVIOR, PRICE FOR HIM IS TOO HIGH. HE, LIKE NUMBER OF OTHER LOMBARDY PSI LEADERS, WOULD PREFER DC-PSI GIUNTA, COMBINATION HOWEVER WHICH ANTI-DC SENTIMENT IN SOCIALIST PARTY MAKES UNTHINKABLE AT MOMENT.

8. AS FAR AS OPERATION RECORD OF OPEN GIUNTA CONCERNED, STORY IS QUITE DIFFERENT. NOBODY IS HAPPY WITH RECORD THOUGH SOME CAUTION THAT, AFTER ONLY TWO YEARS, IT IS TOO EARLY TO RENDER VERDICT ON OPEN GIUNTA EFFICIENCY. ASSESSORE FOR TRANSPORT FABIO SEMENZA (PRI) TOLD US GIUNTA'S SPARSE RECORD OF ACCOMPLISHMENT DUE MOSTLY TO TWO FACTORS: 1) TIME AND ENERGY LOST IN REGION'S BATTLE TO WREST POWERS DUE TO -- ESPECIALLY BUDGETARY -- AWAY FROM CENTRAL GOVERNMENT AND 2) SEVESO POISON DIOXIN INCIDENT OF JULY 1976, WHICH HAS BROKEN (DC) ASSESSORE FOR HEALTH, FORCED PRESIDENT GOLFARI TO ACT IN EFFECT IN HIS STEAD, AND GENERALLY SIPHONED OFF MUCH DRAUGHTS OF REGION'S ENERGY. PCI GROUP LEADER MARCHI AGREED OPEN GIUNTA NOT FUNCTIONING BRILLIANTLY BUT THOUGHT IT NEEDED MORE TESTING. NEXT WATERMARK WOULD COME IN OCTOBER WHEN GIUNTA HAD TO VOTE ON REGION'S NEW TRIENNIAL PLAN.

9. OUR DC INTERLOCUTORS, ON OTHER HAND, LAID LOMBARDY'S RECENT POOR LEGISLATIVE RECORD SQUARELY AT FEET OF DRAWN-OUT CONSULTATIONS-AMONG AND WITHIN PARTIES-THAT NOW MUST PRECEED LAWMAKING. WHEREAS DC, ACCORDING TO GOLFARI, DISPLAYS GOOD DISCIPLINE AFTER LEADERS REACH DECISION, PCI LEADERSHIP HAS TO CONVINCE ITS COUNCILLORS, VIA LENGTHY INTERNAL DEBATE THAT OFTEN INVOLVES CHANGES, THAT DRAFT LEGISLATION MERITS THEIR VOTE. AND SOCIALISTS, TOO, MUST AGREE AMONG THEMSELVES. PSI ASSESSORE VERTEMATI ADDED THAT, SINCE IN NEW SITUATION NEITHER SOCIALISTS NOR CHRISTIAN DEMOCRATS FEEL LOYALTY TO ENLARGED CONFIDENTIAL

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MAJORITY AND TO OWN PEOPLE THAT MAJORITY-MINORITY SET-UP ENCOURAGED, VARIOUS SHARPSHOOTERS FEEL FREE TO CREATE PROBLEMS FOR GIUNTA MEMBERS RATHER THAN BACKING THEM UP. AS RESULT OF ALL THIS, PASSAGE OF LEGISLATION IS SLOW AND CUMBERSOME. IN PAST, MAJORITY COULD AT SOME POINT FORCE VOTE AND GET DECISION. TODAY, PROCESS HAS TO AWAIT PCI ACHIEVING CONSENSUS.

10. AS FAR AS NEAR FUTURE CONCERNED, NO CHANGE IS FORESEEN IN OPEN GIUNTA FORMULA FOR LOMBARDY ALTHOUGH DC PROVINCIAL SECRETARY ROBERTO MAZZOTTA HAS TOLD US HE WOULD LIKE TO END THE SYSTEM IF HE HAD THE VOTES TO DO SO. AS NOTED AOBVE, CONSERVATIVE BUCALLOSSI WING OF PRI AND DC ASSESSORE COLOMBO TRIED LAST OCTOBER TO THROW MONKEY WRENCH INTO OPEN GIUNTA (REFTEL) BUT FAILED, LEAVING COMMUNISTS BETTER OFF THAN BEFORE. HAVING SURVIVED THIS TEST, PARTICIPANTS ARE LESS LIKELY THAN EVER TO FALTER. PCI, IN GOLFARI'S VIEW, MUST STAY ON BOARD BECAUSE TO DO OTHERWISE WOULD BE TO RETROGRESS, UNDOING ITS ENTIRE NATIONAL STRATEGY. DC, UNDER GOLFARI'S ABLE LEADERSHIP, WILL ALSO STICK WITH OPEN GIUNTA, DESPITE DISSENT FROM DE CAROLIS, LOUD GRUMBLINGS FROM GINO COLOMBO (WHO TOLD US THAT WERE IT NOT FOR PRESENT NATIONAL NEGOTIATIONS ON PROGRAM BETWEEN DC AND PCI, LOMBARDY FORMULA WOULD PROBABLY BE ABANDONED), AND HOPES BY PEOPLE LIKE DC MILAN PROVINCIAL SECRETARY THAT SOCIALISTS MAY SOMEHOW BE INDUCED TO RETURN TO CENTER-LEFT ARRANGEMENT. LEFTIST SENTIMENT WITHIN PSI MAKES THOS HOPES FORLORN, AT LEAST FOR NOW.

11. HOW WILL OPEN GIUNTA EVOLVE HERE AND WHO WILL END UP BENEFITING MOST? GOLFARI SAYS DC IS ON TOP AND CAN EVEN DOLE OUT SEVERAL MORE THIN SLICES OF SALAMI--COUNCIL PRESIDENCY, COMMISSION PRESIDENCIES, PATRONAGE POSITIONS--IF THAT IS NECESSARY TO KEEP PCI WHERE IT IS. PROCESS IS ONE, HE INSISTS, THAT DC CAN STOP BUT PCI CANNOT. HOW FAST IT MOVES WILL DEPEND IN GREAT PART ON WHAT HAPPENS AT NATIONAL LEVEL. FOR LAST TWO YEARS LOMBARDY HAS LED ROME. NOW ROME IS IN PROCESS OF CATCHING UP. WHEN AND IF ROME DOES SO, GOLFARI SAYS HE WILL CONFIDENTIAL

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CONSIDER MAKING MORE MARGINAL CONCESSIONS TO PCI, ALWAYS
SHORT OF PARTICIPATION AS MINISTERS IN EXECUTIVE, ESSENTIAL

DIVIDING LINE BETWEEN OPEN GIUNTA AND HISTORIC COMPROMISE.
THIS SLICE BY SLICE APPROACH, SAYS GOLFARI, WILL ALTER
NATURE OF COMMUNIST PARTY, WEAKEN ITS INTERNAL DISCIPLINE,
AND RESULT IN DESERTION OF LAFT AND EVENTUAL DEFEAT AT
POLLS.

12. WE FOR OUR PART ARE IMPRESSED WITH INTERRELATIONSHIP OF
LOCAL AND NATIONAL SITUATIONS. GOLFARI'S LEFTIST DC BASE
FACTION HAS ALWAYS FAVORED CLOSEST COOPERATION WITH PCI
THAT TIMES WOULD ALLOW. SINCE LAST FALL, OVERALL DC RESOLVE
AGAINST HISTORIC COMPROMISE--GIVEN SHOT IN ARM BY DECAROLIS'
ADAMANT STAND--HAS GROWN STRONGER. WERE WIND TO START BLOWING
IN OPPOSITE DIRECTION, LOMBARDY DE LEADERS WOULD PROBABLY
OFFER PCI EVEN WIDER BERTH.

13. WHATEVER HAPPENS, CONSENSUS IS THAT PCI HERE IS UNDOUBTEDLY
CHANGING FOR BETTER (FROM DC VIEWPOINT) AS RESULT OF ITS
ACCEPTANCE OF RESPONSIBILITY FOR GOVERNMENT AND UNDER GIVE-AND-
TAKE OF DEMOCRATIC MANEUVERING IN REGION. TO WHAT EXTENT THAT
MAKES DIFFERENCE WITH DC LEADERS IN ROME AS THEY ASSESS
THICKNESS OF SALAMI SLICES THEY ARE PRESENTLY CONTEMPLATING,
WE IN MILAN ARE NOT IN POSITION TO SAY. FINA

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